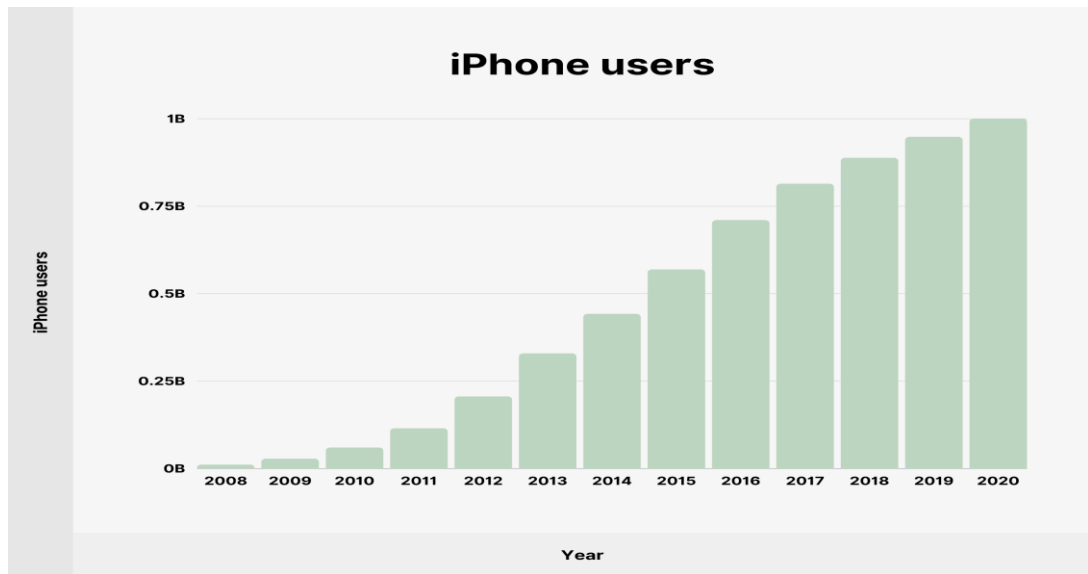


# CHAPTER I

## INTRODUCTION

### 1.1 Background

In our era, we are living in state of the art period where smartphones and cutting-edge electronic devices are essential in our daily life. Of course, the smartphone industries have been developing rapidly since the introduction of first smartphone, the iPhone. iPhone has been one of the most successful electronic devices that still influence our daily life even today. There have been many smartphone devices which have been competing with iPhone and have been disappear whereas iPhone is still holding its title as one of the most sold smartphone brands even today. The expansion of smartphone market has tremendously affected the sales of iPhone and nowadays iPhone can be found in almost everywhere in the world. iPhone have been expanding their market not only in their domestic country the US, but internationally as well. Apple have become the one of the biggest international business firms that affects in worldwide scale. Apple does not only sell smartphones but laptops, and tablet as their main model, however, iPhone is their biggest best-selling product that people around the world is willing to pay huge amount of money to get it.

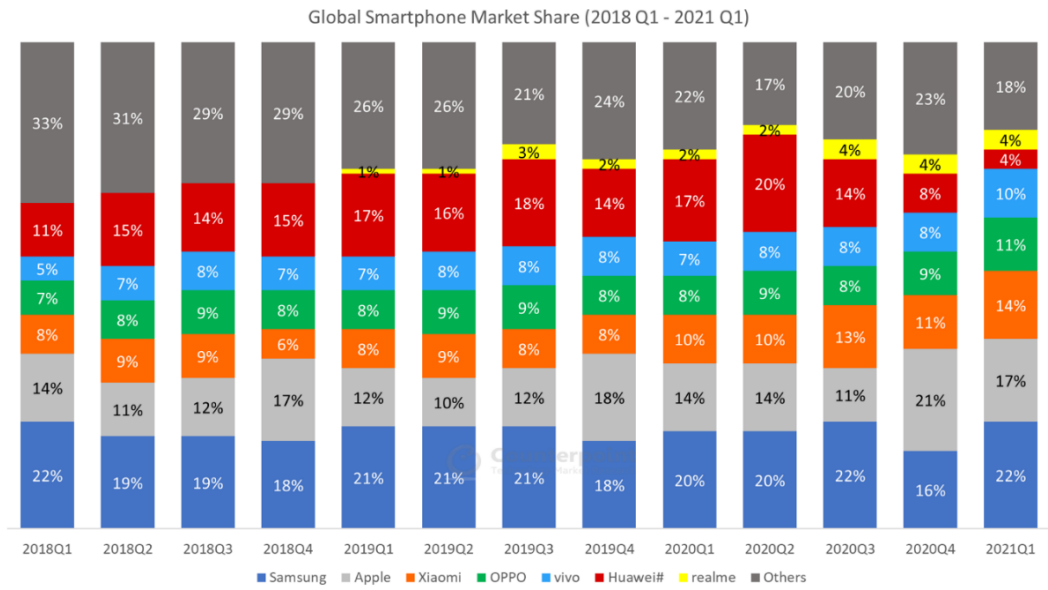


**Figure 1.1 The number of iPhone users worldwide**

Source: BackLinko (2021)

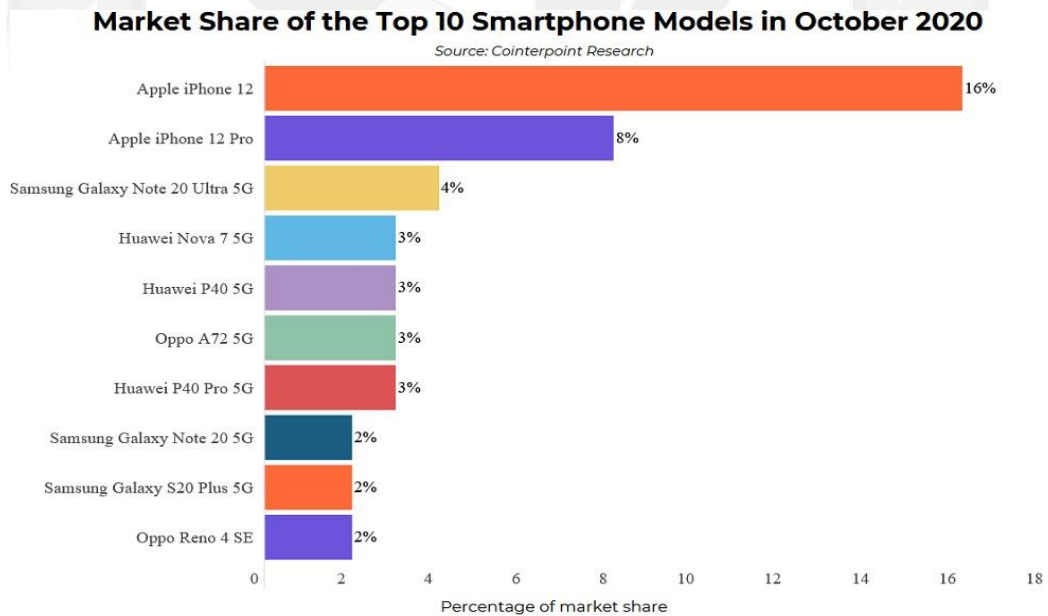
As you can see in the figure 1.1, the user of iPhone is growing every year since it came out in the year 2008. The users of iPhone have reached 1 billion in the year 2020 and are expected to grow even in coming year as well. According to BackLinko, the users of iPhone has been increasing every year and are expected to go over 1 billion users in 2020.

The Apple, the leading company of smartphone market is where iPhone is branded and are titled as main selling product. They are based in US that deals with smartphones, computers and IOS system that runs independently just for their own products. They are one of the biggest companies in US and is still growing to be the number one company in the world. Apple has become number two leading company in smartphone industry and are holding their title as the most innovative company of all time (Counterpoint, 2021).



**Figure 1.2. Global smartphone market share**

Source: Counterpoint (2021)

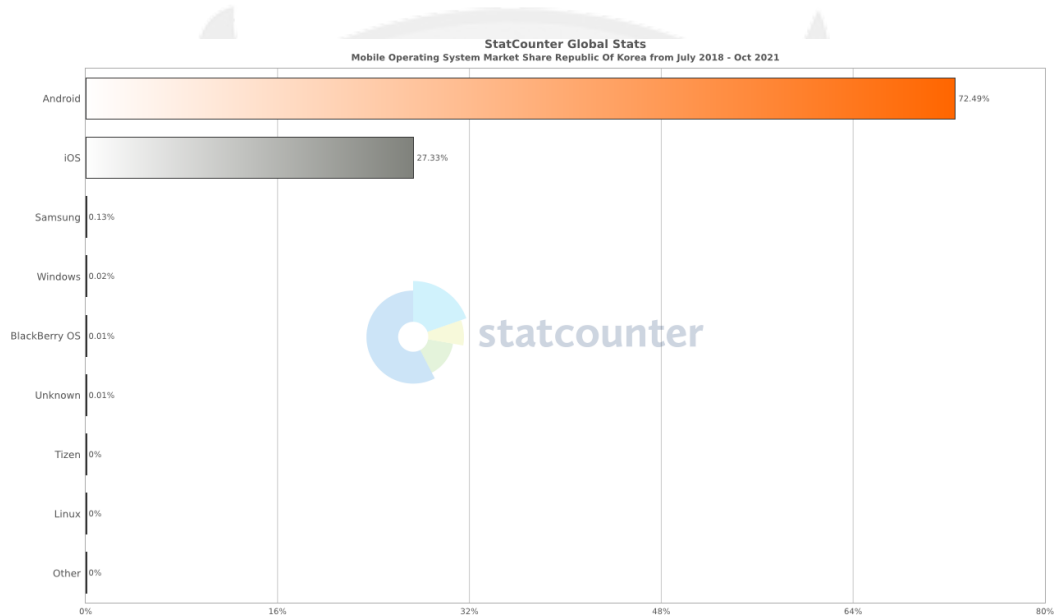


**Figure 1.3 Market share of the top 10 smartphone model in 2020**

Source: Outsourcing Portal International (2021)

The data from Counterpoint and Outsourcing Portal International stated

that the overall market share of iPhone from Apple is 17% of all brands from smartphone market. Which is second place as single brand company smartphone line ups. Also, the most sold model is iPhone 12 with 16% as dominant percentage in the smartphone market. The data shows that all over the world, iPhone is firm, strong, and most sold smartphone with great popularity that people use today.



**Figure 1.4 Mobile Operating System in Korea**

Source: Statcounter (2021)

In Korea, the percentage of mobile operating system is unbalanced as android, which is Samsung smartphone operating system is dominating with 72.49% and IOS system which is iPhone operating system is 27.33% (Statecounter,2021). There is huge gap between Apple and Samsung and Apple is being dominated by Samsung in Korea. It is clear that the usage of Samsung smartphone outnumbers the usage of Apple’s iPhone. However, if we go deeper down to level where we see the usage of smartphone brand according to age and gender, The usage of Samsung is dominant with both male and female group of age of 40 and above. However, the

usage of iPhone is similar or dominant with group of 30s and below for both male and female. Especially, female group with age lower than 30 shows dominant percentage of usage of iPhone. From here we can see that the usage of iPhone increases as the age goes down and female users are more than male users (Gallup report,2021).

	Age	Samsung	iPhone	LG	Others
Male	18-29	46%	42%	7%	3%
	30	56%	33%	9%	1%
	40	74%	4%	14%	2%
	50	72%	0%	21%	1%
Female	18-29	32%	62%	6%	
	30	45%	55%	0%	
	40	83%	7%	9%	
	50	76%	7%	17%	

**Table 1.1 Mobile brand in Korea, age, gender**

Source: Gallup Report (2021)

Purchase intention, or a customer's proclivity or inclination to acquire a specific product or service in the future, might indicate the likelihood of making a purchase. Prior research on the elements that predict purchasing intent has spanned a wide range of theoretical and practical disciplines. Factors affecting brand communication, for example, are among them. Factors that influence how a user feels about a product. Effective components, cognitive components, and behavioral components, such as customers' ideal experience and users' attitudes, are among the

aspects that make up effective components, cognitive components, and behavioral components. There are further aspects that have a direct impact on purchasing intent, such as the practical and symbolic value dimensions of the goods. The product's image of the brand, the identity it symbolizes, such as self-identification, social identification, or cultural and ethnic identity, and perceived brand (Gabriel, 2018)

## **1.2 Research Problem**

As mentioned above, the market occupation of iPhone in Korea is only 27.33% of all smartphone market (statcounter,2021). However, the percentage of youngsters of Korea especially female use more iPhone compared to Samsung Galaxy phone. Both male and female usage percent of iPhone exceed the usage of Samsung in Korea. Therefore, the research questions are:

- Does product quality have positive impact on purchase intention of iPhone to youngsters in Korea?
- Does brand familiarity have positive impact on purchase intention of iPhone to youngsters in Korea?
- Do product features have positive impact on purchase intention of iPhone to youngsters in Korea?
- Does social influence have positive impact on purchase intention of iPhone to youngsters in Korea?

## **1.3 Research Objective**

Based on the research problems mentioned above, the research objectives

are as followed:

- To identify the positive influence of product quality toward purchase intention of iPhone to youngsters in Korea.
- To identify the positive influence of brand familiarity toward purchase intention of iPhone to youngsters in Korea.
- To identify the positive influence of product features toward purchase intention of iPhone to youngsters in Korea.
- To identify the positive influence of social influence toward purchase intention of iPhone to youngsters in Korea.

#### **1.4 Significance of the Study**

- For the researchers  
This study should aid academics in better understanding the link between product quality, product feature, brand familiarity and social influence on purchase intention of iPhone in Korea.
- Business school  
For all Business Schools, it is believed that this research will provide insight to the faculty, allowing them to explore additional themes related to the smartphone business, as well as the aspects influencing behavioral intention to buy iPhone in the course concerned.
- Business Owner or Corporation  
For business owners, researchers anticipate that by publishing this data, other smartphone businesses would be able to obtain a better understanding of their

potential consumers and become more disciplined in terms of performance.

- **Researchers of the Future**

It is intended that conducting this research would assist and contribute to being one of the reputable sources for future scholars that will explore the topic "Smartphone industry."

## **1.5 Research Outline**

The outline of this research is divided into five chapters as followed:

### **CHAPTER I: INTRODUCTION**

The research background, research question, research objectives, and research outlines are all presented in this chapter.

### **CHAPTER II: LITERATURE REVIEW**

The second chapter summarizes all of the hypotheses, prior research, and the research model.

### **CHAPTER III: RESEARCH METHODOLOGY**

The research kinds, study types, study locations, data collecting techniques, time frames, units of analysis, and pre-test findings are all covered in the third chapter.

### **CHAPTER IV: RESEARCH FINDINGS**

The fourth chapter discusses the study findings, such as data reliability and validity, as well as research statistics related to the research methodology and hypothesis testing.

### **CHAPTER V: CONCLUSION AND RECOMMENDATION**



This last chapter will summarize the findings, including the research's implications, contribution to the field, and recommendations for future research.

